



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
(701) 222-7900

October 27, 2005

Ms. Pamela Bonrud
Executive Director
South Dakota Public Utilities
Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501

Re: Contract with Deviation
Merillat Corporation
Docket No. NG05-____

Dear Ms. Bonrud:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits for Commission approval Section No. 4, 4th Revised Sheet No. 1 (Exhibit A) and the underlying Amendment No. 2 dated October 20, 2005 to the current Agreement between Montana-Dakota and Merillat Corporation (Merillat). The existing agreement with Merillat was effective on November 1, 2003 pursuant to the South Dakota Public Utilities Commission's Order issued on October 28, 2003 (Docket No. NG03-005) as amended, July 28, 2004, Amendment No. 1, effective November 1, 2004 (Docket No. NG04-006). The attached Amendment No. 2 provides for service to continue to Merillat for a one-year period ending October 31, 2006 under the terms of the original contract.

Merillat is a large volume, high load factor customer, and it is in the best interest of the other customers for Montana-Dakota to continue the agreement which will satisfy Merillat's request for firm sales gas service at a competitive price that allows Montana-Dakota to continue to provide natural gas service to this facility.

The existing firm customers will continue to benefit under this through Merillat's contribution toward transmission pipeline demand costs and distribution cost recovery, which would not exist if Merillat were to utilize an alternate fuel.

The Company requests waiver of the 30 days notice to the Commission required by ARSD 20:10:13:15 and 30 days notice to the public required by ASRD 20:10:13:17.

Attached as Exhibit C is the South Dakota "Report of Tariff Schedule Change" form required pursuant to ARSD 20:10:13:26.

Included herein is a second set of the affected tariffs on which Montana-Dakota has indicated the revisions requested by lining through the existing language which the Company proposes to delete and highlighting the new language proposed. Please refer all inquiries regarding this filing to:

Mr. Donald R. Ball
Assistant Vice President – Regulatory Affairs
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence and pleadings to:

Mr. Douglas W. Schulz
Associate General Counsel & Assistant Secretary
MDU Resources Group, Inc.
P. O. Box 5650
Bismarck, ND 58506-5650

The original and ten (10) copies of this Letter of Transmittal and tariffs have been provided to the South Dakota Public Utilities Commission.

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed, stamped envelope.

Sincerely,



Donald R. Ball
Assistant Vice President-
Regulatory Affairs

Attachments
cc: D. Schulz

Exhibit A

**Montana-Dakota Utilities Co.***A Division of MDU Resources Group, Inc.*400 N 4th Street
Bismarck, ND 58501**State of South Dakota
Gas Rate Schedule – SDPUC Volume No. 2**Section No. 4
4th Revised Sheet No. 1
Canceling 3rd Revised Sheet No. 1**LIST OF GAS CONTRACTS WITH DEVIATIONS**

Page 1 of 1

<u>Name and Location of Customer</u>	<u>Type or Class of Service</u>	<u>Execution and Expiration Dates</u>	<u>Most Comparable Regular Tariff</u>		
			<u>Schedule No.</u>	<u>Contract Differences</u>	
Morris, Inc.	Firm Commercial	05-10-01 To 11-16-11	Rate 76	Rate	
Merillat Corporation	Firm Commercial	11-01-05 To 10-31-06	Rate 70	Rate	C

Date Filed: October 27, 2005**Effective Date:****Issued By:** Donald R. Ball
Asst. Vice President-Regulatory Affairs**Docket No.:**

TARIFFS REFLECTING PROPOSED CHANGES

**Montana-Dakota Utilities Co.***A Division of MDU Resources Group, Inc.*400 N 4th Street
Bismarck, ND 58501**State of South Dakota
Gas Rate Schedule – SDPUC Volume No. 2**Section No. 4
3rd Revised Sheet No. 1
Canceling 2nd Revised Sheet No. 1**LIST OF GAS CONTRACTS WITH DEVIATIONS**

Page 1 of 1

<u>Name and Location of Customer</u>	<u>Type or Class of Service</u>	<u>Execution and Expiration Dates</u>	<u>Most Comparable Regular Tariff</u>	
			<u>Schedule No.</u>	<u>Contract Differences</u>
Morris, Inc.	Firm Commercial	05-10-01 To 11-16-11	Rate 76	Rate
Merillat Corporation	Firm Commercial	11-01- 0405 To 10-31- 0506	Rate 70	Rate

Date Filed:

Effective Date:

Issued By: Donald R. Ball
Asst. Vice President-Regulatory Affairs

Docket No.:

ATTACHMENT
AMENDMENT NO. 2
FIRM GAS SERVICE AGREEMENT

Exhibit B

THIS AMENDMENT to FIRM GAS SERVICE AGREEMENT, made in duplicate this 20 day of OCTOBER 2005, by and between MERILLAT CORPORATION located in Rapid City, SD, hereinafter referred to as "Customer", and MONTANA-DAKOTA UTILITIES CO., a division of MDU Resources Group, Inc., 400 North Fourth Street, Bismarck, North Dakota, hereinafter referred to as "Company",

WITNESSETH:

WHEREAS, as of October 2, 2003 Customer and Company entered into a Firm Gas Service Agreement whereby Company undertook to provide firm natural gas service to Customer's facility in Rapid City, SD and;

WHEREAS, said Agreement was amended by Amendment No. 1 to Firm Gas Service Agreement dated July 28, 2004 ("Amendment No. 1"); and

WHEREAS, Customer and Company now mutually desire to further modify said Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained in said Agreement and its Exhibit and herein, the parties agree as follows:

1. To delete Amendment No. 1 and section 2 of Firm Gas Service Agreement in their entirety and insert in lieu thereof a new section 2 to read as follows:

"2. TERM: Deliveries and charges shall commence on November 1, 2005 and expire on October 31, 2006, unless amended by the parties in writing."

2. All remaining terms and conditions of Firm Gas Service Agreement, except as specifically amended herein, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as of the day and year first above written.

MERILLAT CORPORATION

By: Jeffrey Uecker

Title: PLANT MANAGER

MONTANA-DAKOTA UTILITIES CO.,
A division of MDU Resources Group Inc.

By: David L. Goodin

David L. Goodin
Vice President of Operations

Report of Tariff Schedule Change

NAME OF UTILITY: Montana-Dakota Utilities Co.
 ADDRESS: 400 North Fourth Street
 Bismarck, ND 58501

Section No.	Class of Service	New Sheet No.
4	Contracts with Deviations	4th Revised Sheet No. 1

Change: Service Agreement - term amendment
 (State part of tariff schedule affected by change, such as: Applicability, availability, rates, etc.)

Reason for Change Existing contract expires 10/31/05

Present Rates
 Proposed Rates
 Approximate annual reduction in revenue N/A
 Approximate annual increase in revenue N/A

Points Affected	Estimated Number of Customers Whose Cost of Service will be:					
	Reduced		Increased		Unchanged	
	# of Customers	Amount in \$	# of Customers	Amount in \$	# of Customers	Amount in \$
1	N/A	N/A	N/A	N/A	N/A	N/A

Include Statement of Facts, expert opinions, documents and exhibits supporting the change requested.

Received: _____

Montana-Dakota Utilities Co.
 (Reporting Utility)

By: _____
 Executive Director
 South Dakota
 Public Utilities Commission

By: Donald R. Ball
 Ass't Vice President- Regulatory Affairs
 (Name and Title)

SD-20:10:13:26